

DRAFT 5/18/95

May __, 1995

Mr. Michael A. Nealy
President
Global Events Group
4242 SE Milwaukie Avenue
Portland, OR 97202

MARLBORO Music Portland Concert

Dear Mr. Nealy:

This letter constitutes the agreement between Philip Morris Incorporated ("Philip Morris") and the Global Events Group ("Promoter"), regarding Philip Morris' sponsorship of the **MARLBORO Music Portland Concert** (the "Event") to be held at Delta Park on June 24, 1995 in Portland, Oregon.

1. Sponsorship Rights. In consideration for Philip Morris providing talent and production for the Event ("Artists"), Promoter grants Philip Morris the following sponsorship rights:

(a) the exclusive right to conduct tobacco store sales, branded incentive distribution and name generation activities among smokers 21 years of age and older from ten promotional kiosks and two 10' x 22' promotional tents with electrical power provided by Promoter, at sites at the Event to be mutually agreed upon by the parties. Tobacco sponsorship is limited exclusively to Philip Morris;

(b) the right to hang banners and signage on and around the tents and kiosks and at the area immediately surrounding **MARLBORO Music Stage**;

(c) the right to hang street lightpole banners at the Event site and areas surrounding the site to be mutually agreed upon by the parties;

(d) the right to receive ^{3,150}~~3,000~~ complimentary Event admission tickets which will be delivered to Philip Morris upon execution of the Agreement; and

(D4) + the right to receive 150 complimentary Event Admission tickets which will be delivered to Philip Morris for PHIL Morris and invited VIP's.

2041949792

(e) the right to recognition in advertising placed in connection with the Event and the right to approve in advance all materials and announcements prepared by Promoter that mention Philip Morris, **MARLBORO** or **MARLBORO Music**, provided that the approval is effected on a timely basis.

2. Philip Morris' Obligations. Philip Morris will:

(a) provide top name entertainment to perform at the Event, which will consist of "Country" Artists;

(b) provide the services of a third party talent buyer to book the Artists directly in order to control booking, fees and payment schedule. No other talent buyer will be utilized;

(c) provide the services of a third party production coordinator to control stage design and provide production and stage management, supervision and support to the Event operating crew, if applicable;

(d) provide the services of a public relations agency to publicize the Event;

(e) use the **MARLBORO Music** logo and the title "**MARLBORO Music**" in connection with the Event;

(f) provide the Event free to the public; and

(g) provide local print advertising featuring the **MARLBORO Music** logo for additional media support, with artwork to be provided solely by Philip Morris.

3. Promoter's Obligations. Promoter will:

(a) provide secured parking for all buses, trucks, and rental cars used by Artists and Artists' personnel, Philip Morris personnel and other personnel associated with the Event;

(b) provide venue house security, and, under the direction of a third party engaged by Philip Morris which will provide staffing requirements, provide backstage security;

(c) provide on-site storage space, vendor parking and admission passes;

2041949793

(d) provide the following services: Event labor, Event supervision, Artist hospitality, insurance, electrical, first aid, ~~advertising~~, park cleanup, fencing, ~~printing~~, promotions, site rental fee, sanitation, security, ~~stage~~, telephones/radios, ticketing, trailers, shuttles, tables, catering, dressing rooms, backstage fencing, forklifts, runners, and backstage security;

(e) Promoter will be responsible for the hanging and removal of all **MARLBORO** street lightpole banners; *AT THE COST TO PHILIP MORRIS USA*

(f) provide ample space for an on-site hospitality area for day of the Event only;

(g) utilize the **MARLBORO Music** credentials to gain backstage access and parking. Credentials must be worn at all times for access; and

(h) utilize the title, "**MARLBORO Music**" when referring to the Event, and use the title "**MARLBORO Music Featuring [Artist Name]**," when referring to the Artist. Such use will not constitute an endorsement by Philip Morris or the Promoter.

4. Sponsorship Payment. For the rights and permission granted under the Agreement, Philip Morris will pay Promoter an aggregate of \$198,000. Philip Morris will pay Promoter \$99,000 upon complete execution of the Agreement and submission by Promoter of an invoice and \$99,000 upon submission by Promoter of an invoice on June 16, 1995.

5. Term. The term of the Agreement will commence upon its execution, and continue through the completion of the Event to the reasonable satisfaction of Philip Morris and Promoter. Philip Morris has the right to renew the Agreement, subject to the approval of Promoter, which will not be unreasonably withheld, if the Event is held in 1996, upon written notice delivered by Philip Morris to Promoter on or before December 1, 1995.

6. Exclusivity. Promoter will not enter into sponsorship agreements with any other manufacturer of cigarette or tobacco products, nor permit signage, commercial identification or distribution of any other cigarette or tobacco products on site in connection with the Event, without the prior written consent of Philip Morris.

7. Independent Contractor. Promoter is and will remain an independent contractor, and nothing in the Agreement will create a relation of principal and agent or employer and employee between Philip Morris and Promoter or any of its employees.

2041949794

8. The MARLBORO Name. Promoter will have no right or interest in the **MARLBORO** name or the slogans, designs of logo-types associated with **MARLBORO**, or **MARLBORO Music**, except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris described as in paragraph 1(e).

9. Insurance. Within 30 days of execution of the Agreement, Promoter will deliver to Philip Morris original certificates of insurance evidencing coverage for (i) comprehensive general liability, including advertiser, spectator, participant, host liquor and contractual liability with limits no less than \$1,000,000 combined single limit for bodily injury, including personal injury, and property damage; (ii) comprehensive automobile liability including all owned, non-owned and hired vehicles, with limits of no less than \$1,000,000 combined single limit; (iii) statutory workers' compensation coverage meeting all state and local requirements; and (iv) employers' liability with limits of no less than \$500,000. The insurance certificates required by subparagraph (i) must name Philip Morris, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least 30 days prior written notice of any cancellation or modification of the insurance. The insurance must be primary coverage without right of contribution from any other Philip Morris insurance.

10. Indemnity. Promoter indemnifies and holds harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from any claim, liability, cost or expense, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Promoter. Promoter's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

11. Termination. If any federal, state, municipal or local law, regulation, ordinance, ruling or judgment becomes effective that makes the promotion of tobacco products as contemplated by the Agreement unlawful or impracticable or materially reduces the value of the Agreement to Philip Morris, the Agreement may be terminated by Philip Morris as of the date that the law, regulation, ordinance or ruling becomes effective, and Promoter will refund to Philip Morris all amounts paid to Promoter by Philip Morris hereunder during the Term. If the Agreement is so terminated, Promoter may deduct from the refund all nonrecoverable costs incurred by Promoter on behalf of Philip Morris.

12. Confidentiality. Promoter, its employees and agents will hold strictly confidential all information and materials provided by Philip Morris to Promoter or created or acquired by Promoter in performing the Agreement. The information and material will remain the property of Philip Morris. Promoter will not use or disclose the information and materials to third parties without the prior, written consent of Philip Morris. Upon termination or expiration of the Agreement, or within 30 days thereafter, Promoter will return all materials to Philip Morris. Promoter will not disclose the terms of the Agreement

2041949795

to third parties, except as is necessary for the performance of its obligations hereunder, without the prior, written consent of Philip Morris. Promoter's obligation to maintain confidentiality will survive the termination of the Agreement.

13. Third Party Contacts. If at any time Promoter is contacted by a third party, including the media, other than as required by the terms of the Agreement, concerning Promoter's activities on behalf of Philip Morris, Promoter will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Vice President, Corporate Affairs.

14. Notices. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, attention: Mr. Michael A. Nealy, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, attention: Vice President, Marketing Services.

15. Governing Law. The Agreement shall be governed by the laws of the State of New York applicable to contracts made and entirely performed in New York.

16. Miscellaneous.

(a) Force Majeure, acts of God, or other causes beyond the control of either party delaying or causing the cancellation or delay of the Event will not subject Promoter or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(b) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term of the Agreement shall be deemed a waiver of any subsequent breach of that term or any other term or a general waiver.

(c) The Agreement may not be assigned by either party without the written consent of the other. The Agreement sets forth the entire agreement between the parties on its subject matter and supersedes all previous oral or written agreements between them on the subject matter.

(d) Each party hereto will comply with all applicable Federal, state and local laws, regulations and ordinances affecting its activities hereunder including, the provisions of Title 15 U.S.C. §§ 1331 et seq.

2041949796

Mr. Michael A. Nealy
May __, 1995
Page 6

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing the enclosed copies of this letter and returning one countersigned copy to me.

Very truly yours,

PHILIP MORRIS INCORPORATED

By: _____

Title: _____

ACCEPTED AND AGREED AS OF
THE DATE OF THIS LETTER:

GLOBAL EVENTS GROUP

By: _____
Michael A. Nealy

Taxpayer ID No. _____

Filing Status _____

2041949797